

Press Release

Brussels, 17 January 2024

EU 2024 Elections—CECRA's key policy recommendations for the EU institution's next five-year mandate

<u>CECRA</u> - the European Council for Motor Trades and Repairs - has during its press conference of today presented its key priorities of the automotive distribution and repair sector for the upcoming European legislative period. <u>CECRA's manifesto for an innovative and future proof mobility</u>

Vehicles play a crucial role in society's functioning whether it is transporting people and/or goods. CECRA supports all efforts in achieving Europe's set climate targets. It however advocates Europe to opt for a more open approach, encouraging technology diversity within the vehicle sector which would not only foster innovation but also provide operators with a range of options to effectively reduce emissions in a way that's both affordable and feasible.

New technologies, such as connected cars emitting tremendous amount of data offering unlimited possibilities of digitalisation, are reshaping business models. European automotive manufacturers are adapting their business strategies, reducing distribution costs and transforming their distribution network from a franchised 'dealer' model into 'agency' models alongside with setting up on-line sales platforms putting their retailers in direct competition with them. Agency business models will have major consequences for manufacturers, their distribution networks and European consumers. Vehicle manufacturers know that their distribution network has a distinct advantage as they have a face-to-face customer interaction and guarantee a network of physical rural and non-rural touchpoints where consumers can get assistance to the purchase, repair and maintenance of their expensive good. The agency model will significantly impact the distributors' earnings model and it remains to be seen whether this model is a viable business model and how it will affect the service.

Aftersales operators must have direct access to in-vehicle data, its functions and resources to create a level playing field within the automotive aftersales. A direct, unmonitored, unrestricted and real-time access to in -vehicle data is a critical requirement for new data- enabled services. Given the increasing centrality of these new data-based services — fair competition, innovation and consumer's freedom of choice will only be possible if such an equal access is guaranteed to all players in the vehicle service industry.

The automotive industry, as a whole, whether it is the production, the sales and after sales are at a critical juncture. The challenges are huge and the stakes are high. Through this policy manifesto, CECRA asks EU's new leaders to take into account the concerns and needs of the automotive distribution and repair sector to ensure a competitive market for consumers across the European Union.

In short, the key objectives and concerns for which CECRA seeks support from EU decision makers are:

A fair balance... to protect SMEs in the automotive sector by supporting fair rules at EU level to ensure that contracts between vehicle manufacturers and dealer/agents cannot contain unfair, oppressive and unreasonable requirements;

Protect European consumers from deterioration in the automotive sales and aftersales industry... since vehicle manufacturers are transforming their sales and repair model it is to be awaited whether this model is a viable business model and what the consequences will be on EU consumers regarding the service and after-sales service of their expensive good;

A level playing field ... to ensure that SMEs in the sector have equal access to in-vehicle data to enable them to service and repair latest technology vehicles to ensure competitive market for consumers across the European Union;

Protect European consumers from fraudsters and criminals... to help deliver EU-wide requirements to fight odometer manipulation by unscrupulous traders who can take advantage of the current lack of verifiable vehicle data. We are seeking the recording and collection of odometer and vehicle damage information to be made available to EU consumers, as a right, through state supported agencies.

For more information

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CECRA, established in 1983, is the European federation bringing together national professional associations, which represent the interests of motor trade and repair businesses and European Dealer Councils. CECRA represents on a European scale 336,720 motor trade and repair businesses. Together they employ 2.9 million people.

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